

**2004 ENVIRONMENTAL NEGOTIATIONS COMPETITION
CONFIDENTIAL INSTRUCTIONS FOR STUART COUNTY
ROUND 2**

The County wants to end this dispute. Both Max and the M3 residents are politically well-connected and savvy. The County's direction to you is to find a reasonable road out of this mess without giving Max too good of a deal.

1. Duration of Use

M3 wants the quarry to cease operations after five years. The County believes that it can survive the political heat and can agree to add two years to its existing 5 year proposal, as long as Max remains in compliance with all operational constraints agreed upon between the parties and the County retains some control. This is an important provision because it will show the residents that the operational controls have real bite. There are a number of ways to resolve this issue. For example, you could have the authorization for use be renewed automatically each year for up to seven years unless the county finds Max in non-compliance, or the renewal could be after, say, five years, allowing an extension through year seven (or any other combination that gives the County some power). Non-compliance could trigger anything from penalties to forfeiture of rights to operate. You should have a game plan for negotiating this issue.

2. Conditions of Use

The County knows that Max will propose a mediation process to address operational constraints. This works for the County, as long as the County retains the final say on those conditions and as long as the conditions will be enforceable by the County. Any reasonable mediation process is fine.

3. Monitoring and Enforcement

Because the final two years of operation of the quarry is tied to this monitoring, the monitoring must be done well. The County will hire and supervise the monitor (at Max's expense) and the monitor will be under the direction of the County. The County can penalize Max up to \$2500 for each violation at the County's discretion. The penalty can be appealed to the Board of Supervisors. You should work these concepts into any monitoring proposal made by Max.

4. Streamlining of Development

This is a very tough issue. The County recognizes its importance to Max, but does not want to be perceived as favoring his development plans. The County fears that it could be subject to lawsuits by residents and other developers challenging any streamlining under environmental and other laws. The County will only agree to a general statement of support for future development of the area.

Pollak will present a proposal on all issues to open negotiations.